Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 01488 01 OF 02 131352Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 STR-07
DOE-11 SOE-02 DODE-00 PM-05 H-01 L-03 NSC-05
PA-01 SS-15 SSM-03 /131 W
----------089510 131406Z /46
R 131209Z MAR 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 426
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
USINT BAGHDAD POUCH
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS

C O N F I D E N T I A L SECTION 1 OF 2 KUWAIT 1488

E.O. 11652: GDS
TAGS: EFIN, EAID, KU
SUBJECT: THE ARAB FUND: WHAT IT IS AND IS NOT DOING

1. DURING VISIT TO KUWAIT, NEA REGIONAL AFFAIRS DIRECTOR PALMER AND ECON CHIEF CALLED MARCH 12 ON 1.5 BILLION DOLLAR CAPITALIZED ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT (AFESD) ACTING DIRECTOR GHADANFARI (AN IRAQI NATIONAL, WHO PROVIDED FOLLOWING INFORMATION OF INTEREST CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 01488 01 OF 02 131352Z

ON FUND ACTIVITY.

2. REGIONAL COOPERATION. GHADANFARI SAID ONE OF PRIMARY PURPOSES OF FUND, ENSHRINED IN ITS CHARTER, WAS TO PROMOTE INTER-ARAB COOPERATION. FUND'S EXPERIENCE IN PROMOTING THIS TO DATE HAD NOT, HOWEVER, BEEN ENCOURAGING. IT HAD NEVER BEEN ABLE TO ESTABLISH A VIABLE PROJECT IN WHICH

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

NUMBER OF ARAB COUNTRIES PARTICIPATED IN JOINT ACTIVITY IN ONE ARAB COUNTRY. HOWEVER, IT HAD BEEN ABLE TO WORK OUT PROJECTS WHERE NUMBER OF ARAB COUNTRIES PARTICIPATED, EACH WITHIN ITS BORDERS ALONE. BEST EXAMPLES WERE ROAD PROJECTS WHERE EACH COUNTRY DID WORK WITHIN ITS BORDERS, AND TELECOMMUNICATIONS, WITH LINK-UPS BETWEEN COUNTRIES BY SATELLITE, WIRE, MICROWAVE, ETC. RECENTLY, GHADANFARI SAID, AFESD HAD BEEN ENCOURAGED BY FUND-SPONSORED COOPERATION BETWEEN LONDON, SYRIA AND JORDAN IN JOINING THEIR NATIONAL GRIDS AND SHARING ELECTRICITY. THE CONTROL IN THIS REGIONAL ENDEAVOR WAS FULLY NATIONAL - EACH PARTY COULD SWITCH ON OR OFF THE PROVISION OF ELECTRICITY TO ITS NEIGHBOR - BUT ALL BENEFITTED AND HAD BEEN COOPERATING SMOOTHLY.

3. AID TO LEBANON. QUERIED ABOUT AID TO LEBANON, GHADANFARI REFERRED TO TWO AFESD PROJECTS UNDER WAY IN LEBANON, BUT SAID HE COULD NOT BE OPTIMISTIC ABOUT SIGNIFICANTLY LARGER ASSISTANCE TO LEBANON FROM AFESD (AND BY INFERENCE, OTHER ARAB DONORS) TUNIL SECURITY/POLITICAL SITUATION IN THE COUNTRY STABILIZED. THIS PROBLEM WAS MORE IMPORTANT THAN OBTAINING MONEY, WHICH WAS AVAILABLE IN LONDON. PALMER NOTED THAT US WAS DOING WHAT IT COULD, IN MODEST WAY, TO ASSIST LEBANESE ARMY IN REBUILDING ITSELF.

4. AID TO NON-ARAB COUNTRIES. QUERIED ABOUT POSSIBILITY OF ARAB FUND AID TO NON-ARAB, (BUT MUSLIM) COUNTRIES
CONFIDENTIAL

CONFIDENTIAL

SUCH AS PAKISTAN, GHADANFARI SAID HE DOUBTED FUND WOULD CHANGE ITS CHARTER TO ENTER THIS ACTIVITY. HE NOTED THAT ISLAMIC FUND COULD ASSIST FELLOW MUSLIM COUNTRIES SUCH AS PAKISTAN, AND THAT OTHER ARAB FUNDS PROVIDED ASSISTANCE TO OTHER NON-ARAB COUNTRIES. ARAB FUND WAS SET UP TO BE A REGIONAL, INTER-ARAB INSTITUTION, AND WOULD REMAIN THAT WAY.

5. "TRIANGULAR COOPERATION." GHADANFARI DISMISSED THIS WELL-WORN CONCEPT BY POINTING OUT THAT IT WAS "ALMOST INSULTING" TO TWO PARTIES DIRECTLY CONCERNED, THE DONOR AND RECIPIENT. IN MOST CASES DONOR AND RECIPIENT WERE FULLY AWARE OF VARIOUS TECHNOLOGIES (SUCH AS LANDSAT) CITED FOR SUCH COOPERATION. IF THE AID RECIPIENT COUNTRY WANTED SUCH THINGS, IT COULD TALK DIRECTLY WITH THE POTENTIAL WESTERN (OR EASTERN) SUPPLIER AND THEN TO THE DONOR. THERE WAS NO NEED TO INSTITUTIONALIZE SUCH ACTIVITY UNDER A "TRIANGULAR" RUBRIC.

6. FIGURES ON AID. ALTHOUGH LAST ARAB AID COORDINATION MEETING IN KUWAIT HOSTED BY AFESD LED TO REPORTS THAT AFESD WOULD PUBLISH PERIODIC REPORTS ON ASSISTANCE PROVIDED BY VARIOUS ARAB AID ORGANIZATIONS, GHADANFARI DENIED THIS

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

HAD BEEN AGREED UPON. HE POINTED OUT THAT PUBLICATION
OF SUCH FIGURES WOULD BE "MISLEADING" AS PROJECT AID THROUGH
VARIOUS ARAB FUNDS WAS ONLY SMALL PART OF ALL ARAB AID,
MUCH OF WHICH WAS PROVIDED SECRETLY ON A BILATERAL BASIS.

7. PROFESSIONAL STAFF. GHADANFARI SAID THE ARAB FUND
HAD A PROFESSIONAL STAFF OF 49, PLUS 60 ODD SECRETARIES
AND OTHER SUPPORT PERSONNEL. (THE PROFESSIONAL STAFF
ARE ALL ARAB, LARGELY PHD'S IN ECONOMICS AND ENGINEERING
EDUCATED IN THE U.S.).

8. COMMENT: AS EARLIER REPORTING INDICATED, IN THE
SPRING OF 1977 ARAB FUND PRESIDENT SAEB JAROUDI, A FORMER
LEBANESE MINISTER, PUSHED FOR AN ACTIVE AFESD ASSISTANCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUWAIT 01488 01 OF 02 131352Z

PROGRAM TO LEBANON. THE MAJOR AFESD DONORS, SAUDI ARABIA
AND KUWAIT, APPARENTLY DECIDED THAT RESTORATION OF SECURITY
AND A POLITICAL SETTLEMENT IN LEBANON WOULD HAVE TO PRECEDE
ANY MASSIVE INFUSIONS OF ARAB AID, AND REINED IN JAROUDI
BY SUMMER, 1977. COMMENTS BY GHADANFARI, WHO IS AFESD

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUWAIT 01488 02 OF 02 131353Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 STR-07
DOE-11 SOE-02 SSM-03 DODE-00 PM-05 H-01 L-03
NSC-05 PA-01 SS-15 /131 W
----------089526 131406Z /46
R 131209Z MAR 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 427
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
USINT BAGHDAD POUCH
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS

C O N F I D E N T I A L SECTION 2 OF 2 KUWAIT 1488

DIRECTOR OF PROJECTS AND JAROUDI'S PRINCIPAL DEPUTY
(JAROUDI WAS ILL AT TIME OF PALMER VISIT), INDICATE THAT
THIS IS STILL THE GUIDANCE UNDER WHICH THE ARAB FUND IS
OPERATING REGARDING LEBANON.
MAESTRONE

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC DEVELOPMENT, ARABS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT01488
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780111-0554
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780376/aaaacmmg.tel
Line Count: 185
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d65074c8-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3354549
Secure: OPEN
Status: NATIVE
Subject: THE ARAB FUND: WHAT IT IS AND IS NOT DOING
TAGS: EFIN, EAID, KU, AFESD, ARAB FUND FOR ECONOMIC & SOCIAL DEV
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/d65074c8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014